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INFORMATION REPORT

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COUNTRY Austria/USSR

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SUBJECT USIA Enterprises Placed under Direct
Authority of Soviet High Command in Austria

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1. During the last week in October 1948, General Kurasov summoned USIA officials to a Hotel Imperial conference and announced that all USIA enterprises were removed from the control of the Soviet Foreign Ministry and placed under the direct authority of the Soviet high command in Austria. **Comment:** Previous information indicated that USIA was not responsible to the military authority in Austria, but directly under the Soviet Central Administration for German Properties in Occupied Areas, which is subordinate to the Gosplan in Moscow.)
2. Kurasov ordered the dismissal of several Austrian officials of USIA, including Ernst Fellingner of the Light Industry Section.
3. The reason for the change was presumably not stated by Kurasov. Source believes it is the result of USIA efforts to evade financial regulations of the Soviet Military Bank. These were brought to light in the recent scandal involving USIA's large-scale sale of oil to the Vienna municipality through an Austrian middleman without depositing the proceeds in the Soviet Military Bank.

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